

Adoption of Resolution Adopting an Addendum to the Certified Final Environmental Impact Report for the Alameda Point Project for a New Ferry Terminal at the Seaplane Lagoon at Alameda Point, Approving a Memorandum of Understanding between the City of Alameda and the Water Emergency Transportation Authority (WETA) to Provide a Framework for Collaboration on Funding, Operations, and Maintenance of the Ferry Terminal, and Approving a Ferry Terminal Plan. (Base Reuse 819099)

To: Honorable Mayor and Members of the City Council

From: Jill Keimach, City Manager

RE: Adopt a Resolution adopting an Addendum to the Certified Final Environmental Impact Report for the Alameda Point Project for a New Ferry Terminal at the Seaplane Lagoon at Alameda Point, Approving a Memorandum of Understanding between the City of Alameda and the Water Emergency Transportation Authority (WETA) to Provide a Framework for Collaboration on Funding, Operations, and Maintenance of the Ferry Terminal, and Approving a Ferry Terminal Plan

BACKGROUND

On June 16, 2015, the City Council approved a Disposition and Development Agreement (DDA) with the private developer, Alameda Point Partners, LLC (APP), for the Site A Development at Alameda Point, consisting of a 68-acre mixed-use project at the gateway of Alameda Point.

Contingent upon the closing for the City's transfer of the Phase 1 property, APP is obligated to pay \$10 million towards the costs incurred for permitting, design and construction of the Seaplane Lagoon Ferry Terminal and associated parking improvements.

As part of the backbone infrastructure included with the Phase 1 development, APP and the City agreed to cooperate in the construction of a permitted and operating ferry terminal at Seaplane Lagoon. In accordance with the DDA [Article 5.1(b)(1)], a Ferry Terminal Plan shall be developed with a reasonable conceptual design and the Parties' best estimate of the schedule and costs based on available information. Upon approval of the Ferry Terminal Plan, the City will obtain third party permits and approvals necessary for construction and operation of the Ferry Terminal.

As required by the Community Reuse Plan, General Plan, Zoning Ordinance, Alameda Point Master Infrastructure Plan, Environmental Impact Report (EIR) and Transportation Demand Management (TDM) Plan, the Site A development requires robust transportation strategies and programs to minimize the significant transportation impacts associated with Alameda Point redevelopment and reuse. One of those strategies is construction of

the new Ferry Terminal at the Seaplane Lagoon to support expanded ferry services to San Francisco and the region.

Benefits to the City, APP and WETA

For the City, a new ferry service, which is included in its planning documents for Alameda Point, creates a transit hub at the heart of Alameda Point, which maximizes opportunities for the residents and employers/employees who locate at Alameda Point to be transit users. This minimizes potential traffic impacts and significantly increases the possibility of attracting major commercial users to Alameda Point. Both developer finalists interested in the Site B “commercial only” request for qualifications from developers mentioned the new ferry terminal as a crucial component of marketing and attracting a major commercial user to Alameda Point. A number of prospective commercial tenants that include higher-intensity employment uses, such as office uses, have indicated that the new ferry terminal and service is an important factor in locating at Alameda Point.

For APP, the new ferry service helps them minimize peak-hour vehicle trips and comply with their trip reduction goals in the Site A TDM Compliance Strategy. It also attracts retailers, commercial users and residents, which translates into greater market demand for their development and higher values. The new ferry service is an important component of their marketing and business plan for the successful implementation of the Site A development.

For WETA, the new ferry terminal locates service within walking distance of a major development, which will maximize demand for their services from the residents and employees located at Alameda Point. It creates new parking facilities (currently a 400-space parking lot is planned at Alameda Point) for existing residents since available parking at the Main Street Terminal is close to reaching capacity. It also allows WETA to easily coordinate the Main Street and Seaplane Lagoon services as one West End service (i.e., boats can be moved in and out of both terminals) to meet shifting demands from each terminal and from Oakland, creating long-term flexibility for WETA, without compromising the viability of the Oakland service. A Seaplane Lagoon terminal also positions WETA for an increase in service in the Transbay corridor, where the ferry is one of the best options given capacity limitations on the bridge and BART.

DISCUSSION

This staff report provides information about the proposed Seaplane Lagoon Ferry Terminal and recommends approval of 1) the Ferry Terminal Plan; and 2) the WETA MOU.

1. Seaplane Lagoon Ferry Terminal Plan (Exhibit 1)

The proposed Ferry Terminal at Seaplane Lagoon would operate as an addition to the existing ferry terminal at Main Street, not a replacement. Currently, the Main Street Ferry Terminal is a combined service from the Oakland Terminal across the estuary to San Francisco. Peak period ferry service demand at the Main Street terminal is reaching capacity as overall ridership rose 14% per year from July 2012 to July 2015 (WETA Short Range Transit Plan, 2016).

The proposed addition of a second ferry terminal in western Alameda would help to reduce traffic congestion in Alameda both by expanding transit options as an alternative to vehicular trips and by dispersing vehicular trips to access ferry transit between two western Alameda ferry terminal locations. The following provides a summary of the key components of the Ferry Terminal Plan:

- a. **Ferry Location** (*Exhibit A of Exhibit 1 – Ferry Terminal Plan*) -The location of the new ferry terminal was planned carefully to minimize terminal conflicts with recreational users within the 110-acre Seaplane Lagoon. Location at the foot of Pacific Avenue and immediately to the right as boats enter the Seaplane Lagoon was selected for its minimization of conflict with other uses and the maximization of space for recreational use. The terminal itself, and the boats entering and leaving the area is anticipated to require less than a third of the Seaplane Lagoon area, leaving most of the overall Seaplane Lagoon area available for other uses. Other key drivers in the location and design was to avoid dredging and to site the ferry terminal within close walking distance of the Enterprise District, as people tend to want to walk a shorter distance from transit to work and will walk farther from their home to transit.

- b. **Improvements** - While the ferry terminal is located south of the Site A property, APP will construct the ferry terminal based on WETA standards as part of the Phase 1 Site A development and provide interim landside improvements as described below. As Site B is developed over time, permanent landside improvements will be phased in according to the Town Center and Waterfront Plan.
 - **Waterside Improvements** (*Exhibit B of Exhibit 1 - Ferry Terminal Plan*)
 - Abutment and pier at entrance to terminal to provide secure entry from land to the pedestrian gangway.
 - A gangway will connect the pier to the boarding float; the length of the gangway will be determined by tides and accessibility needs at this location.
 - A boarding float for entering and exiting the ferry vessel, which will be held in position by an arrangement of pipe guide piles and fender piles.
 - Design of all waterside improvements will take into account sea-level rise projections and will be reviewed by appropriate agencies.

- *Landside Improvements and Circulation (Exhibit C – Q – Ferry Terminal Plan)* - Improvements and circulation elements will be phased in as Site A Phase I and Phase II development is constructed and ultimately builtout over the development horizon for Site B as envisioned in the Town Center and Waterfront Plan. The proposed interim improvements will not limit or interfere with the Site B development and the ability to attract jobs to the site. These interim improvements include:
 - Shoreline repairs or modifications, if necessary, where abutment ties into shoreline
 - Parking facilities for 400 vehicles at a temporary location
 - Passenger drop-off and pick-up
 - Public access path connecting Site A to the terminal
 - New bike access routes and bike parking
 - Bus stop for drop-off and pick-up at the entrance to the ferry plaza
- c. *Ferry Plan Implementation*** - Due to the long lead time needed for permitting, upon City Council approval of the Ferry Terminal Plan, the following activities will commence.
- Terminal Design/Permitting – Third party consultant (Moffat & Nichol) has been hired by the City and paid for by APP to prepare preliminary (30%) designs required for design review and permit applications and HT Harvey will lead the permitting process
 - Landside Improvements – APP’s design team, led by April Philips Design Works, will prepare landside drawings needed for design review and permitting
 - Construction – In accordance with the Alameda Point DDA, APP will oversee the construction of both landside and waterside construction consistent with WETA standards.
 - Operation – WETA will be responsible for operations of the ferry according to the terms laid out in the Seaplane Lagoon Ferry Service Project MOU (described in more detail below)

Upon receipt of the necessary permits, construction at the earliest is anticipated to begin in summer 2018 with completion of the ferry terminal in the first quarter of 2019, to align with the completion of Site A development and the first residents living there. If for any reason, construction cannot be completed in the 2018 June-November construction window allowed, it would be done in Q3/4 2019.

	2016				2017				2018				2019				2020	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Design																		
Permitting																		
Construction																		
Start Operations																		

d. Funding Needs

Under the DDA, APP will contribute \$10 million towards the construction of the Seaplane Lagoon Ferry Terminal, which is a significant step towards making the increased ferry service at the west end of Alameda a reality. Additional funds will be necessary to fully fund construction of the ferry terminal. See table below for cost estimates, uses of funds and possible sources.

Use of Funds	Estimated Cost	Potential Source of Funds
Terminal Waterside Costs ^(a)	\$13,000,000	APP, TIGER, Other regional funding
Terminal Landside Costs ^(b)	\$ 4,300,000	APP, TIGER, Other regional funding
Design/Permitting Fees ^(c)	\$ 900,000	APP
Total Improvements	\$18,200,000	
Vessel Procurement ^(d)	\$16,000,000	Prop 1B, Other WETA Sources
Annual Operating Subsidy ^(e)	\$ 1,800,000	Future regional funding
<i>Moffat & Nichol Estimate; (b) General Contractor estimate; (c) City/APP estimates; (d) WETA estimate; (e) WETA 2019 Estimate</i>		

An operational subsidy will be required, as well, to initiate and sustain Seaplane Lagoon ferry service to fund the excess of operating expenses over revenue generated by passenger fares, parking fees or other service-generated revenue.

WETA and the City are collaborating in seeking regional and other funding sources for construction, vessel costs, and operational subsidies for WETA ferry service at Seaplane Lagoon, including any funding from a potential regional funding measure.

Below are the estimated sources and uses of funding. Possible funding sources include:

- Future regional funding source (bridge toll or gas tax)
- Federal TIGER grants
- State Proposition 1B
- Measure BB

All parties are actively collaborating and pursuing regional, state and federal funding and are optimistic of the chances for success. An example of this collaboration is the upcoming application for a TIGER grant in which APP is a co-applicant and WETA will be a strong, supporting partner. (Exhibit 2)

2. Memorandum of Understanding (MOU) with WETA (Exhibit 3)

On June 4, 2015 the WETA Board of Directors adopted a System Expansion Policy to serve as a framework for evaluating the feasibility of new ferry projects. An MOU has been developed based on this framework and it is the second action item before the City Council this evening.

The MOU acknowledges the City's and WETA's intent to have ferry service to San Francisco from Seaplane Lagoon at Alameda Point and sets forth that WETA and the City will work together in good faith to establish a Seaplane Lagoon ferry service. Below are highlights of the MOU which is attached as Exhibit 3:

- The Seaplane Lagoon ferry service will be initiated once operating funds and terminal and vessel assets are secured to operate the expansion service.
- WETA and the City are collaborating to pursue possible funding that would align with the completion of the Ferry Terminal construction.
- The existing levels of service and current amenities, including both the quantity of on-street and off-street parking facilities, will be maintained at the Main St. ferry terminal irrespective of future Seaplane Lagoon ferry service being implemented.
- A commute-oriented ferry service between Seaplane Lagoon (SPL) and San Francisco, assuming one ferry boat, with the following frequencies:
 - AM Peak (between 6:00 AM and 9:00)
 - 3 trips minimum from Alameda SPL to SF
 - 2 reverse trips from SF to Alameda SPL
 - PM Peak (between 4:00 PM and 8:00 PM)
 - 3 trips minimum from Alameda SPL to SF
 - 2 reverse trips from SF to Alameda SPL
- Midday and weekend service are not anticipated at Alameda SPL initially and will continue to be provided from the Main Street ferry terminal, until demand warrants adding it.
- The fares for the proposed Seaplane Lagoon service will be the same as those approved for the Main Street Ferry Service by the FY 2015- FY2020 Fare program adopted by the WETA Board.
- The Seaplane Lagoon service will require a dedicated vessel to ensure reliable operations. It is estimated that a vessel will cost approximately \$16 million (FY

2015 dollars). WETA is already working to secure funds to expand its fleet to accommodate strong service demand in Alameda.

- The City and WETA agree to work collaboratively to advocate for and coordinate with AC Transit and other potential local transit operators to provide frequent, reliable, and convenient bus service to the Main Street Terminal and the future Seaplane Lagoon ferry terminal.
- The City agrees to provide parking facilities for a minimum of 400 cars within 1/4 of a mile from the access control gate with priority given to ferry patrons accessing the terminal during weekday commute periods.
- The City will retain ownership of and responsibility for the operation and maintenance of all landside improvements. WETA will retain ownership and maintenance of waterside assets.
- WETA and the City will actively advocate for the Seaplane Lagoon ferry service and will support one another's efforts to obtain regional and other funding.

FINANCIAL IMPACT

Under the DDA, upon the closing of Site A, APP will contribute \$10 million towards to permitting, design and construction of the ferry terminal. Prior to that time, APP will advance up to \$350,000 for City requested payments to third party consultants to begin the preliminary design and permitting process. Staff time allocated for Site A implementation will be paid from the Base Reuse Department budget. The cost of maintenance of the landside improvements of the ferry terminal are the responsibility of the City and is likely to come from developer special tax revenue, Tidelands revenue, and lease revenue from the Base Reuse budget.

ENVIRONMENTAL REVIEW

On February 4, 2014, the City of Alameda certified the Alameda Point Final Environmental Impact Report (FEIR) in compliance with CEQA. The FEIR evaluated the environmental impacts of redevelopment and reuse of the lands at Alameda Point consistent with the Alameda Point Waterfront and Town Center Plan, which included a ferry terminal at Seaplane Lagoon as part of Site A development. Consistent with the February 2014 action, on May 11, 2015, the Planning Board approved a resolution containing conditions of approval that require that the Site A development comply with, and implement, all the relevant mitigations measures adopted by the City Council in February 2014. The DDA also includes the MMRP as an exhibit and requires compliance with all of the relevant mitigation measures.

Under Public Resources Code Section 21083.3 and Section 15183 of the *CEQA Guidelines*, where a project is consistent with the development density established by existing zoning, a community plan, or a general plan for which an EIR was certified, additional environmental review is not required. The density and land uses of the proposed Ferry Terminal are consistent with the Town Center and Waterfront Plan and Alameda Point Zoning District. As documented in the CEQA Addendum to the Alameda

Point project EIR (Exhibit 4), construction of a ferry terminal at Seaplane Lagoon would not result in significant impacts that: (1) are peculiar to the project or project site; (2) were not already identified as significant effects, cumulative effects, or off-site effects in the FEIR; or (3) were previously identified as significant effects, but are determined to be substantially more severe than discussed in the EIR. Thus, the streamlining provision of Public Resources Code Section 21083.3 and Section 15183 of the *CEQA Guidelines* apply and no further environmental review is necessary.

RECOMMENDATION

Approve a Resolution adopting an Addendum to the Certified Final Environmental Impact Report for the Alameda Point project for a new Ferry Terminal at the Seaplane lagoon at Alameda Point, approving a memorandum of understanding between the City of Alameda and the Water Emergency Transportation Authority (WETA) to provide a framework for collaboration on funding, operations, and maintenance of the ferry terminal, and approving a ferry terminal plan

Respectfully Submitted,
Jennifer Ott, Chief Operating Officer – Alameda Point
Michelle Giles, Redevelopment Project Manager

By,
Michelle Giles, Redevelopment Project Manager

Financial Impact section reviewed,
Elena Adair, Finance Director

Exhibits:

1. Seaplane Lagoon Ferry Terminal Plan (Exhibits A – Q)
2. Tiger Grant Summary
3. WETA MOU
4. CEQA Addendum to the Alameda Point project EIR